GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5919
ANSWERED ON:31.08.2001
MOTOR INSURANCE CLAIM
VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

(a) whether the General Insurance Companies incurred losses in underwriting business relating to motor insurance for the year ended 31, March 2000;

(b) if so, the quantum to total income from motor vehicle insurance for the year and total expenditure including net claims paid;

(c) whether the total premia collected was 65 percent of the total expenditure;

(d) whether a lot of false claims are being settled due to connivance among the claimants, agents and GIC officials; and

(e) if so, the steps being taken to exercise greater control over expenditure to generate a reasonable surplus?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c): The public sector general insurance companies have incurred losses in underwriting business relating to motor insurance for the year ended 31.3.2000. The details are given below:

(i) Total premium income from Motor Insurance : Rs.3417.44 Cr.

(ii) Total Expenditure on Motor claims : Rs.4888.13 Cr

(iii) Under writing losses on Motor business : Rs.1470.69 Cr.

The total premia collected was 69.9% of the total expenditure on motor claims.

(d) & (e): No Sir. However, the general insurance companies have taken the following loss control measures to exercise greater control over expenditure to generate reasonable surplus:

(i) Utilizing `in-house` loss assessors for smal;l claims;

(ii) Close coordination with Legal Aid and Advisory Board for settlement of cases through Lok Adalat, out of Court conciliation etc. to enable quick settlement of claims.

(iii) Periodical appraisal of the performance of advocates;

(iv) Investigation in Third Party Claims to ascertain authenticity of accidents and collection of details effective handling of the cases.